

## Message Text

LIMITED OFFICIAL USE

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ACTION EUR-12

INFO OCT-01 EA-10 ISO-00 AID-05 CIAE-00 COME-00 EB-08  
FRB-03 INR-10 NSAE-00 USIA-06 TRSE-00 XMB-02  
OPIC-03 SP-02 LAB-04 SIL-01 OMB-01 L-03 PM-05  
NSC-05 SS-15 /096 W  
-----080251 221228Z /16

R 211625Z MAR 78  
FM AMEMBASSY THE HAGUE  
TO SECSTATE WASHDC 2286  
INFO AMEMBASSY BONN  
AMEMBASSY LISBON  
AMEMBASSY PARIS  
AMEMBASSY ROME  
AMEMBASSY TOKYO

LIMITED OFFICIAL USE THE HAGUE 1535

E.O. 11652: N/A  
TAGS: EFIN, EAID, P, NL  
SUB:DUTCH ASSISTANCE TO PORTUGAL

REF: A) LISBON 2012; B) THE HAGUE 309; C) 77 THE HAGUE 4607

1. MINISTRY OF FINANCE CONFIRMS VISIT OF BANK OF PORTUGAL  
MISSION TO THE HAGUE LAST WEEK (REF A) TO WORK OUT DUTCH  
LOAN ARRANGEMENT. NEGOTIATIONS ARE COMPLETE SAVE ONE DETAIL:  
PRECISE WORDING OF STANDARD CONTINGENCY CLAUSE COVERING NON-  
PAYMENT OF INTEREST AT AGREED INTERVALS. THIS CLAUSE IS EXPECTED  
TO BE WORKED OUT IN A WEEK OR SO. UPON COMPLETION OF NEGOTIATIONS  
GON MUST APPROVE AGREEMENT AS A WHOLE WHICH WILL REQUIRE DIS-  
CUSSIONS BETWEEN MINISTRIES OF FINANCE AND FOREIGN AFFAIRS  
PROBABLY AT MINISTER LEVEL.  
ENTIRE PROCESS IS EXPECTED TO REQUIRE LESS THAN A MONTH.

2. FINANCE OFFICIAL REVEALED TERMS OF LOAN HAVE BEEN ALTERED  
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FROM THOSE REPORTED REFS B AND C. SIZE REMAINS 50 MILLION  
GUILDERS (US\$1 PRESENTLY EQUALS 2.15 GUILDERS) AND FIRST  
INSTALLMENT OF 25 MILLION GUILDERS WILL STILL BE GRANTED WHEN  
PORTUGAL MAKES DRAWING FROM SECOND IMF CREDIT TRANCHE SIGNI-  
FYING AGREEMENT WITH IMF ON ECONOMIC PROGRAM, BUT SECOND IN-  
STALLMENT WOULD NOW BE PAYABLE BY THE END OF 1978 PROVIDING  
INFORMATION SHOWS THAT PORTUGAL IS MAKING GOOD FAITH EFFORTS

TO CARRY OUT IMF ECONOMIC PROGRAM. EMBASSY OFFICER POINTED OUT THAT DELAYS IN REACHING AN AGREEMENT WITH IMF MAY DELAY SECOND IMF TRANCHE AND ALSO DUTCH GRANTING OF FIRST 25 MILLION GUILDER LOAN INSTALLMENT THUS POSSIBLY CAUSING SECOND DUTCH INSTALLMENT TO BE GRANTED IN A MATTER OF MONTHS AFTER FIRST INSTALLMENT RATHER THAN A YEAR LATER AS WAS FIRST ENVISIONED. OFFICIAL CONCEDED POSSIBILITY BUT NOTED THE PRESENT WORDING OF THE DUTCH LOAN AGREEMENT WITH PORTUGAL IS PREMISED ON THE ASSUMPTION THAT PORTUGUESE-IMF AGREEMENT WILL COME SHORTLY (IN A MONTH OR TWO). IF THAT AGREEMENT IS DELAYED, DUTCH LOAN SECOND INSTALLMENT ARRANGEMENTS MAY HAVE TO BE RECONSIDERED.

3. FINANCE OFFICIAL UNDERSTANDS BANK OF PORTUGAL MISSION IS NOW IN BONN FOR DISCUSSIONS ABOUT GERMAN LOAN PROGRAM.  
BROWN

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC ASSISTANCE, DEVELOPMENT BANKS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 21 mar 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978THEHA01535  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780126-0139  
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**Litigation History:**  
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**Message ID:** b31d61c0-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EUR  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 78 LISBON 2012, 78 THE HAGUE 309, 77 THE HAGUE 4607  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
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**Review Event:**  
**Review Exemptions:** n/a  
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**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 3249715  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** DUTCH ASSISTANCE TO PORTUGAL  
**TAGS:** EFIN, EAID, PO, NL  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
Sheryl P. Walter  
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**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014